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**VIA EFILING AND HAND DELIVERY**

January 31, 2008

Charles L.A. Terreni  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Drive  
Columbia, SC 29210

Re: ORS Comments to the Commission's Notice of Drafting under Docket 2007-445-A

Dear Mr. Terreni:

Following is a list of comments by the ORS Staff regarding the Commission's Notice of Drafting under Docket 2007-445-A to amend its regulations regarding representation of persons, interruption of service for water and wastewater utilities. The ORS appreciates the opportunity afforded it by the Commission in the continuing development of these regulations

1. **103-514 & 714.** References to "the commission" receiving notices should be removed in subsections (A) and (C) of this regulation unless the notice is being provided as part of an ongoing docketed matter and is submitted as evidence to the case. As the Commission may, in some cases, eventually be the arbiter of a case or cases arising out of such service issues, the ORS suggests that the requirement for utilities to notify the Commission of such service issues be removed from this regulation to remove the possibility of potential conflicts and to simplify the utilities reporting requirements.
2. **103-514 & 714.** Move sections 103-514.C and 714.C to 103-570 and 103-770, respectively. This recommendation is supported because DHEC issues associated with utilities are not limited to issues involving the interruption of service. The new section should read as follows:

All Water/Wastewater Utilities under the jurisdiction of the commission shall file with the ORS a copy of any order issued by DHEC within 30 days of issuance. The utility shall provide ORS a detailed corrective action and implementation plan addressing each violation cited in the DHEC order. All Water/Wastewater Utilities under the jurisdiction of the commission shall provide the ORS Consumer Services Division a copy of all advisories affecting 10 or more customers within 24 hours of issuance. The utility shall notify the ORS Consumer Services Division in writing when the advisory has been lifted.

3. **103-512.3. & 712.3.3.** ORS recommends the Commission revise R.103-512.3. through 512.3.3. and R.103-712.3. through 712.3.3. to require a more secure performance bond mechanism.

ORS proposes the Commission eliminate the option for a utility to utilize an individual surety to meet the performance bond requirement for all new utilities establishing service. ORS recommends this requirement take affect immediately upon promulgation in the State Register.

Also, ORS recommends the Commission eliminate the option for a utility to utilize an individual as surety beginning in the year 2012 for existing utilities. The use of an individual surety has proven to be a nonviable mechanism to support a performance bond.

The Commission should explore utilizing other surety mechanisms such as escrow accounts or trust funds in addition to continuing to allow Certificates of Deposits, Irrevocable Letter of Credits, and licensed bonding or insurance company.

Thank you for allowing the Office of Regulatory Staff the opportunity to be a part of the initial regulation drafting and other events involved in the development of these regulations.

Yours Truly,



Jeffrey M. Nelson